



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

Dave Roberts, Treasurer
Arlington Democratic Joint
Campaign
4620 Lee Highway, Suite 208
Arlington, VA 22207

SEP 27 1995

Identification Number: C00297226

Reference: 1995 Mid-Year Report (1/1/95-6/30/95)

Dear Mr. Roberts:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses a disbursement to the Arlington County Democratic Committee which appears to be the non-federal account of your committee. 11 CFR §§106.5 and 106.6 prohibits a committee's federal account from reimbursing its non-federal account for shared allocable expenses. Also, the non-federal account is prohibited from paying the federal accounts share of these expenses. These types of costs must be paid according to the allocation ratio derived from the appropriate method on Schedule H1.

If the disbursement in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §106.5 and 106.6 and establish procedures to insure future compliance with allocation regulations.

Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Your report fails to disclose the federal portion of administrative expenses and generic voter drive costs. A state and local party committee that makes disbursements in connection with federal and non-federal elections shall allocate between its federal and non-federal account all expenses for administrative costs. This includes rent, utilities, office supplies,

and salaries, except for those expenses directly attributable to a clearly identified candidate. 11 CFR 106.5 (a) (2)

State and local party committees (except for those that do not hold federal and non-federal elections in the same year) shall allocate their administrative expenses and costs of generic voter drives according to the ballot composition method. Expenses shall be allocated based on the ratio of federal offices expected on the ballot to total federal and non-federal offices expected on the ballot in the next general election to be held in the committee's state or geographic area. 11 CFR 106.5 (d) (2) (i)


Schedule H2 is used by all political committees to report the allocation ratios of their joint federal and non-federal fundraising events and direct candidate support programs. Schedule H2 is filed with each report that discloses a disbursement for a shared activity. Schedule H3 is used by all political committees to report transfers received by the federal account from the non-federal account(s) to pay the non-federal share of allocable expenses.

Any expenditures made on behalf of both federal and non-federal candidates (including in-kind contributions and independent expenditures) must also be allocated between your committee's federal and non-federal accounts. Schedule H4 is used by all political committees to report payments for allocable expenses. 11 CFR 106.1(a)

Please clarify the procedures you are currently using to allocate shared activity. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,


Wendy Barkley
Reports Analyst
Reports Analysis Division

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